

**GORE-CHERNOMYRDIN ENVIRONMENT COMMITTEE
PROGRAM ANALYSIS**

PART I. STRATEGIC GOALS

I. Improve Russia's capacity in environmental policy, legal, and institutional management and increase public participation in environmental decision-making.

II. Enhance ecosystem protection by improving natural resources management and conservation of biological diversity.

III. Identify and reduce health risks associated with pollution and other environmental problems.

IV. Support Russia's ability to fulfill obligations of major international environmental regimes and promote relevant U.S. technologies.

V. Support Russian capabilities in environmental research, monitoring, and data management, ensuring full and open access and responsible partnerships.

BASELINE: December 1993

META-INDICATOR

Signature of new bilateral Environmental Agreement to provide framework for cooperation on all five goals listed above.

Goal I - Improve Russia's capacity in environmental policy, legal, and institutional management and increase public participation in environmental decision-making.

INDICATORS

- a. Promulgation of new, comprehensive environmental protection statute for R.F. with provisions for public participation, cost/benefit analysis and environmental impact assessment of government activities, protection of the global commons (stratospheric ozone, biological diversity, etc.), and economic mechanisms for achieving environmental goals.
- b. Adoption of national policy governing environmental liability in connection with privatization.
- c. Introduction of financially sustainable fee and permitting system in oblasts where USG-supported environmental assistance projects are underway.
- d. Appearance on domestic Russian market of environmental engineering/consulting firms.
- e. Participation of independent non-governmental organizations in environmental/natural resource decision-making at local/oblast level.

CONSTRAINTS

- a. Political competition among Duma factions may delay action on comprehensive environmental legislation. (Principal USG effort here will be working-level contacts, directly and through university/NGO entities, to influence formulation of specific legislative provisions/concepts. GCEC meetings in Russia will afford opportunities to engage senior parliamentary and government representatives.)
- b. Persistent R.F. public sector budget deficit may impede introduction of market-based environmental incentives and encourage regional/local authorities to sanction non-sustainable exploitation of local resources. (Integrated environmental management will constitute principal focus of selected, regionally targeted assistance projects.)
- c. Institutional and political weaknesses within Ministry of Environmental Protection, and Ministry's apparent reluctance to expand role of non-government sector, may pose obstacles to introduction of environmental policy reform. (GCEC forum will seek to ensure broad representation among Russian counterpart agencies. New bilateral agreement will support direct cooperation between public/private and federal/non-federal organizations on each side.)

d. Traditional isolation of scientific community from policy-making in Russia and persistent brain-drain may conduce to poorly informed decisions and weak monitoring of progress. (Policy implications will be highlighted in conduct of collaborative research; assistance projects will seek to strengthen research/monitoring capabilities where appropriate to project goals.)

Goal II - Enhance ecosystem protection by improving natural resources management and conservation of biological diversity.

INDICATORS

- a. Significant reduction in the rate of loss of species diversity in selected joint project areas.
- b. Population decline halted among selected endangered species.
- c. Restructuring and consolidation to reduce deterioration of capabilities of key research institutes responsible for biodiversity conservation in Russia (cf. Goal V).
- d. No U.S. public or private investment in Russia seen as causing significant ecosystem damage or non-sustainable exploitation of natural resources.

CONSTRAINTS

- a. Uncertainty as to the priority which Russian government attaches to ecological values. (GCC process, semi-annual high-level meetings will serve to reaffirm commitment of both sides to national and international environmental goals, and to ensure that all Russian stakeholders are represented.)
- b. Unpredictable influence of regional/local authorities and private/commercial interests--MinEnv/Moscow cannot guarantee responsiveness. (U.S. side will strive for maximum direct contact with implementing organizations on Russian side, with Ministry responsible for coordination and limited oversight.)
- c. Accelerating brain-drain in many fields of Russian science and chronic under-investment in critical research facilities threaten Russia's ability to comprehend its own environmental processes and effects. (USG efforts could include direct support to critical research facilities and research collaborations targeted on critical environmental processes/effects. See Goal V.)

Goal III - Identify and reduce health risks associated with pollution and other environmental problems.

INDICATORS.

a. Improved information about environmental health threats in selected regions in Russia and strengthened capacity to apply information about epidemiologically substantiated linkages between environmental risks and public health indicators.

b. Significant ^{100% reduction} reduction in environmentally sensitive child health indicators in one or more specific locations.

c. No U.S. public or private investment in Russia is seen as significantly aggravating existing public health problems connected with environmental impact.

CONSTRAINTS.

a. High degree of scientific rigor, technical precision, and data access needed to establish clear relationships between pollution and health problems. (Based on twenty-plus years of scientific cooperation with FSU, USG agencies can help ensure these needs are met; will coordinate specific actions with GC S&T Committee.)

b. Continued economic crisis and chronic life-style deficiencies will impede solutions to Russia's environmental health problems. (Efforts will be tightly focused geographically; concentration on child health impacts will screen out most life-style and occupational factors.)

c. Continued economic crises will likely prevent GOR from providing sufficient staff, analytical resources and equipment to achieve measurable improvements. (Health goals will be carefully defined and attuned to capabilities of Russian implementing organizations.)

Goal IV - Support Russia's ability to fulfill obligations of major international environmental regimes and promote relevant U.S. technologies.

INDICATORS

- a. Elimination/substantial reduction in use of ozone-depleting substances in one or more critical Russian enterprises (Montreal Protocol).
- b. GOR commitment (backed by credible enforcement mechanisms) to control export of virgin CFCs (Montreal Protocol).
- c. Completion of a satisfactory Russian Climate Change Country Study, with meaningful input from all appropriate Russian government and research organizations (Framework Convention on Climate Change).
- d. Ratification of FCCC by Russian parliament (Framework Convention on Climate Change).
- e. Effective integration of Russian capabilities into bilateral and multilateral efforts to study and assess environmental contamination in the Arctic (Arctic Environmental Protection Strategy).
- f. Explicit commitment on part of Russian Ministry of Defense/Northern Fleet to utilize existing treatment facility in Murmansk in dealing with low-level liquid rad waste in Russian Arctic (London Convention).
- g. Russia formally accepts 1993 amendment to London Convention banning ocean dumping of low-level liquid rad waste.
- h. U.S. industry participation in one or more commercially viable transactions affecting Russia's ability to meet international environmental obligations.

CONSTRAINTS

- a. Limited ability of central GOR authorities to police/enforce international bans on environmentally unsound practices in outlying regions of Russia. (GCEC initiatives will be designed to incorporate both local/regional and central players in Russia, and to demonstrate local/regional benefits of responsible participation in international environmental regimes.)
- b. Unclear organizational jurisdictions within GOR on global issues; parliamentary autonomy in acting on ratification of FCCC. (GCEC channels will be used to establish appropriate interagency coalitions on Russian side, and to provide access to key members

of Duma and Federal Assembly.)

c. GOR underinvestment in environmental waste management and political sensitivity of further defense cuts make it difficult for Moscow to fund treatment alternatives to ocean dumping of rad waste; on U.S. side, need to avoid expending appropriated funds that would in any way support operational capabilities of Russian nuclear navy. (USG will seek multi-lateral support from other donors and cost-sharing from GOR.)

d. Lingering Cold War sensitivities, diffuse institutional responsibilities at federal/regional level, and need to accommodate interests of indigenous peoples complicate cooperation on Arctic environmental/natural resource issues. (GCEC channels and negotiation of Arctic contaminants agreement will be used to access all needed players on Russian side; expected PDD on Arctic/Antarctic policy will create sound rationale for engaging Russia on Arctic environmental issues.)

e. General problems in investment environment limit potential for promotion of U.S. environmental technology. (Will strive to work closely with newly established working group on environmental equipment and services under GC Business Development Committee.)

Goal V - Support Russian capabilities in environmental research, monitoring, and data management, ensuring full and open access and responsible partnerships.

INDICATORS

- a. Russian acceptance of Statement of Principles on Data Exchange under GC S&T Committee.
- b. New research partnerships are formed on common environmental problems, based on equality, reciprocity, and mutual benefit.
- c. New data sets are accessed and/or made available to the international scientific community.
- d. Study of environmental processes at work in Russia enhances understanding of global environmental trends.
- e. Loss of scientific talent in key Russian institutes is halted or substantially reduced.

CONSTRAINTS

- a. Chronic underinvestment threatens Russia's human and technical infrastructure in many fields of science, and impedes collection and processing of data on Russian environmental trends. (GCEC will work with other GC committees to maximize environmental leverage of existing programs and to urge GOR support for selected projects.)
- b. Lingering Cold War mentality, deficient intellectual property rights protection, poor communications, and various administrative obstacles continue to limit research interactions on some environmental problems. (Problems as identified will be shared with GC S&T Committee to facilitate consistency in approach.)

PART II. ACTIVITIES/PROGRAMS SUPPORTING STRATEGIC GOALS

I. Improve Russia's capacity in environmental policy, legal, and institutional management and increase public participation in environmental decision-making.

1. Activity/Program - New Bilateral Environmental Agreement

Timeframe - 1994 onwards

Funding - n/a

Program Results - New bilateral agreement will establish framework for technical cooperation and policy-level interaction with Russia on a wide range of environmental problems, many of global significance. It legitimizes direct contact between participating organizations on both sides and incorporates strong intellectual property rights guarantees.

Expected status as of June 1994 GCC - Agreement will be ready for signature by Vice President and Prime Minister.

2. Activity/Program - Environmental Technical Assistance Projects for Sustainable Development

NOTE - These and all technical assistance projects discussed below refer to the 14 projects announced at GC2 in Moscow, December 1993. These are currently being reviewed to provide more tangible, significant results, to achieve greater synergism among the various projects, to better match the Russian side's capacity for project development and implementation, and to reduce expectations that U.S. assistance can finance all of Russia's environmental needs.

Funding (in \$000)

	<u>FY 93 Actual</u>	<u>FY 94 Approved</u>	<u>FY 95 Req'd</u>	<u>L-o-A</u>	<u>Source</u>
BA	4,000	15,800	5,000	TBD	FSA
Outlays	4,000	0			

Timeframe - FY 93-96

Program Results - a) establishment of a government-wide capacity for effective, modern, economically sound environmental legislative framework (Environmental Economics and Policy Advice; Environmental Law); b) improved participation in government decision-making by environmental NGOs and environmental authorities at the national, regional, and local levels (NGO Strengthening; Industrial Environmental Management; Air Quality Management); c) establishment of an indigenous capability to undertake policy analysis and use environmental economic tools (Environmental Economics and Policy Advice; Integrated Resource Planning).

Expected status as of June 1994 GCC - a) EPA provided advice to MEPNR for coherent, federal level legislation; b) ISAR (USAID supported) provided \$2.0 million for NGO strengthening grants for over 125 activities in participation of grass roots NGOs in local/regional environmental decision making and biodiversity; c) a workshop on environmental action plans was held in February with MEPNR, USG, and Harvard Institute for International Development (HIID) and a policy and action plan steering committee was established.

II. Enhance ecosystem protection by improving natural resources management and conservation of biological diversity.

1. Activity/Program - Environmental Technical Assistance Projects for Natural Resources Management and Biodiversity

Timeframe - FY 93-94

Funding (in \$000)

	<u>FY 93</u> <u>Actual</u>	<u>FY 94</u> <u>Apprvd</u>	<u>FY 95</u> <u>Req'd</u>	<u>L-o-A</u>	<u>Source</u>
BA	0	4,500	6,000	TBD	FSA
Outlays	0	1,000*			

[*Outlays significantly delayed by CN process.]

Program Results - Establish effective models for natural resources management and the conservation of biological diversity in key areas of Russia. The program will demonstrate cost-effective approaches to long-term sustainable economic and conservation activities, primarily in forested areas (Khabarovsk region, Lake Baikal) or through NGOs.

Expected status as of June 1994 GCC - Assistance has been provided for a) biodiversity, conservation, and sustainable land-use efforts in the Lake Baikal region. Major activities include development of ecotourism businesses, design of public parks and historic restorations, support to establish the Arakhley-Lakes Wildlife Refuge, and technical exchanges for forest resources management and sustainable agriculture practices, b) the US and regional/local officials established priorities for a natural resources management and biodiversity program for Khabarovsk, and c) under the ISAR NGO grant, \$35,000 in small grants were provided to Russian NGOs to support local biodiversity efforts throughout Russia.

The USG biodiversity working group and the MEPNR exchanged ideas about areas of additional potential bilateral cooperation. A second programming team will visit Khabarovsk to complete the design of a long-term natural resources management and biodiversity program. USAID and ISAR will begin evaluating ISAR's NGO strengthening program to provide guidance for phase II grants. The biodiversity working group will continue discussions about additional bilateral cooperation, based on the June/July Khabarovsk programming mission.

2. Activity/Program - Biodiversity Conservation Support

Timeframe - FY 94-95

Funding (in \$000)

	<u>FY93 Actual</u>	<u>FY94 Apprvd</u>	<u>FY95 Reqd</u>	<u>L-o-A</u>	<u>Source</u>
BA	0	1,000*	?	?	FSA
Outlays	0	0			

[*included also in figures for Activity 1 above]

Program Results - Progress will occur in rebuilding physical infrastructure of two world-class institutes, the Komarov Botanical Institute and the Vavilov Institute of Plant Industry; the ex situ genetic resources of these two institutes are irreplaceable and are of strategic economic importance to both Russia and the U.S. Damage/loss of plant collections/germ plasm will be reduced. Long-term restoration of facilities will help Russian sponsoring institutions to continue field work rather than divert limited resources from program activities to crisis facility restoration.

Expected status as of June 1994 GCC - Announce the \$1 million biodiversity grant to Vavilov and Komarov while USAID processes the grant. Working groups for both institutes will address existing work plans, developing concrete steps for allocating resources, considering outreach activities for additional fundraising to support broader facility restoration needs.

III. Identify and reduce health risks associated with pollution and other environmental problems.

1. Activity/Program - Environmental Technical Assistance Projects to Reduce Health Threats

Timeframe - FY 93-96

Funding (in \$000)

	<u>FY 93</u> <u>Actual</u>	<u>FY 94</u> <u>Apprvd</u>	<u>FY 95</u> <u>Req'd</u>	<u>L-o-A</u>	<u>Source</u>
BA	2,000	11,200	10,000	TBD	FSA
Outlays	2,000	11,000*			

[*Outlays significantly delayed by CN process.]

Program Results - Strengthened regional government capacity to identify and monitor major environmental health threats and introduce cost effective measures to improve environmental quality in several locations (e.g., Volgograd, Novokuznetsk, Nizhnii Tagil, Moscow oblast).

Expected status as of June 1994 GCC - Measurable progress toward monitoring and reducing threats to human health, including:

- a) in Volgograd, air monitoring equipment was delivered and set up, and operators trained, a U.S. study tour for municipal and air pollution officials was completed, and an inventory of pollution sources was started.
- b) in April, a regional project in Nizhnii Tagil was approved to encourage environmentally sound industrial conversion, a newly recruited grantee held a conference on environmental management (May), and a survey of six polluting industries was started.
- c) in April, a workplan to reduce industrial pollution in Novokuznetsk was approved, a sister city relationship was established between Pittsburgh, PA and Novokuznetsk for environmental planning, and a contractor has been recruited to start the program.
- d) under the Moscow regional water quality management program, four U.S. and eight Russian organizations agreed to a program to reduce agriculture pollution of water, and a workplan was approved to decrease point source pollution to Moscow's drinking water supply.

2. Activity/Program - Health and Environmental Atlas of Russia

Timeframe - FY94-95

Funding (in \$000)

	<u>FY93</u> <u>Actual</u>	<u>FY94</u> <u>Apprvd</u>	<u>FY95</u> <u>Reqd</u>	<u>L-o-A</u>	<u>Source</u>
BA	0	50 ⁷⁵	0	50	EPA
Outlays	0	50 ⁷⁵	0	50	

Program Results - Team of U.S. and Russian experts led by Dr. M. Feshbach will assemble latest data on correlation between enviromental problems and health effects in Russia, and will make such data available in GIS format for publication in print and CD-ROM. Analysis will provide basis for expanded environmental health cooperation.

Expected status as of June 1994 GCC - Progress report/preliminary results of study should be available for discussion; Administrator Browner could offer more general thoughts on critical environmental health "hot-spots" in Russia.

IV. Support Russia's ability to fulfill obligations of major international environmental regimes and promote relevant U.S. technologies.

1. Activity/Program - Technical Assistance on Phaseout of Ozone-Depleting Substances (ODS) from Civilian and Military Applications

Timeframe - FY 94-95

Funding (in \$000)

	⁹⁴ FY93 <u>Actual</u>	⁹⁵ FY94 <u>Apprvd</u>	⁹⁶ FY95 <u>Reqd</u>	<u>L-o-A</u>	<u>Source</u>
BA	0	150	0	100 150	EPA/DOD
Outlays	0	50	0		

Program Results - With expertise from International Cooperative for Ozone Layer Protection (ICOLP), feasibility of phasing out use of solvents, halons, and other ODSs from key Russian civilian and military applications will be assessed; ICOLP experts will also assist in formulation of proposals for financial support for submission to World Bank/EBRD.

Expected status by June 1994 GCC - \$50K grant from EPA to ICOLP will be approved and available for announcement as first GCEC activity to be carried out largely thru U.S. private sector.

2. Activity/Program - Technical Support on Alternatives to Ocean Disposal of Low-Level Liquid Rad Waste

Timeframe - FY 94-95

Funding (in \$000)

	<u>FY93</u> <u>Actual</u>	<u>FY94</u> <u>Apprvd</u>	<u>FY95</u> <u>Reqd</u>	<u>L-o-A</u>	<u>Source</u>
BA	0	50	?	?	EPA
Outlays	0	50	0		

Program Results - Existing liquid rad waste treatment capacity will be upgraded to accommodate LRW from decommissioning of nuclear powered vessels in Russian Northern Fleet.

Expected status by June 1994 GCC - Results of May 1994

U.S./Norwegian mission to Murmansk will be available; further exchange of specialists will be planned, leading to detailed feasibility study. If USG inter-agency and U.S.-Norwegian discussions have progressed, could seek high-level Russian endorsement and some degree of financial participation.

(FYI - USG strongly supports Russo-Japanese efforts to deal with liquid rad waste problem in Pacific Ocean; however, progress here seems to have stalled in recent weeks. Russia's ability to adhere to the LC ban depends on progress in both oceans.)

V. Support Russian capabilities in environmental research, monitoring, and data management, ensuring full and open access and responsible partnerships.

Activity/Program - [Various collaborative efforts under way with GCC Committees on Space, Energy, and S&T, including Russian ETF. Work toward specific indicators will be addressed in future programs.]

